REPORT ON PLANS AND PRIORITIES

Canada Economic Development for Quebec Regions
2015-16

Denis Lebel
Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec

Canada Economic Development for Quebec Regions
Développement économique Canada pour les régions du Québec

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Minister's Message

I am pleased to submit the *Report on Plans and Priorities 2015–16 for the Economic Development Agency of Canada for the Regions of Quebec* (CED). This document describes the priority areas of intervention through which CED will be supporting enterprises' competitiveness and economic growth in Quebec regions over the next few years.

While the global economy is fragile, Canada is posting a sound performance. Quebec's SMEs and regions are facing serious challenges to remain competitive, stand out and prosper. That is why the Government of Canada has placed the economy, growth and employment among its top priorities. CED's mission is central to this Canada-wide commitment.

We will continue promoting the economic development of communities and regions, for instance by enhancing their economic assets, or by providing support for communities struggling with economic development issues. Assistance for the economic recovery of Lac Mégantic and the economic diversification of communities dependent on the chrysotile asbestos industry are examples of CED's long-term efforts in the field.

Finally, we will continue our modernization efforts by contributing actively to government initiatives to build the Public Service of the Future, and by offering, more efficiently than ever, programs and services catering to the needs of SMEs and the regions.

I encourage you to read through this report, which describes CED's priorities and expected results in 2015–16 with a view to contributing to the economic vitality of Quebec's enterprises and regions.

Denis Lebel

Minister of Infrastructure, Communities and
Intergovernmental Affairs and
Minister of the Economic Development Agency
of Canada for the Regions of Quebec

SECTION I: Organizational Expenditure Overview

1.1 Organizational Profile

Minister: The Honourable Denis Lebel

Chief Executive Officer: Marie Lemay

Ministerial Portfolio:
Canada Economic Development for Quebec Regions

Authorities:
Economic Development Agency of Canada for the Regions of Quebec Act[1]

Year Established: 2005

[1] See the Justice Canada website: laws-lois.justice.gc.ca/eng/acts/F-1.3/index.html.

1.2 Organizational Context

1.2.1 Raison d'être and Responsibilities

Object

Under its Act,[2] which came into effect on October 5, 2005, CED's object is to "promote the long-term economic development of the regions of Quebec by giving special attention to those where slow economic growth is prevalent or opportunities for productive employment are inadequate."

Strategic Outcome

Quebec's regions have a growing economy.

Vision

Quebec regions and enterprises participate to their full potential in the economy of tomorrow, building on their respective assets.

As part of its mission, CED promotes the start-up and performance of businesses. It helps them become more competitive, productive, innovative and active on Canadian and foreign markets. It supports communities' engagement efforts in Quebec's regions and helps to attract investment that will increase the prosperity of the Quebec and Canadian economies.

CED thus contributes to the economic vitality of all Quebec regions, by paying special attention to communities with low economic growth, as stipulated in its enabling Act. In this respect, the CED uses an Economic Development Index[3] which allows it, among other things, to determine the economic development levels of Quebec's 104 communities[4] in order to meet needs effectively.

CED works with businesses, primarily small and medium-sized enterprises (SMEs), as well as non-profit organizations (NPOs) through its business offices.[5] By providing financial assistance for projects, among other things, CED supports their development efforts.

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2 To consult the text of the *Economic Development Agency of Canada for the Regions of Quebec Act*, visit: laws-lois.justice.gc.ca/eng/acts/E-1.3/index.html.

3 The Economic Development Index consists of many variables, such as the participation rate, level of entrepreneurship, level of exporting establishments, value of building permits, diversification of the industrial structure, productivity, and more besides.

4 By "communities," CED means Quebec's 104 regional county municipalities (RCMs) and equivalent territories (ETs).

5 To consult the list of CED's business offices, visit: www.dec-ced.gc.ca/eng/contact/offices/index.html.

CED's approach is inspired by the best practices identified with respect to regional economic development.[6] It is:

- **consistent** with government priorities and national strategies in line with its object and anticipated results;
- **geared** to the economic issues and challenges of Quebec's enterprises and its different regions by building on their assets and potential; and
- **collaborative** with economic agents, such as local partners, other federal departments and agencies, the Quebec government and municipal organizations.

CED's Grants and Contributions Programs and Initiatives, 2015–16[7]

Main program: *Quebec Economic Development Program* (QEDP)
- Targeted and/or temporary initiatives:
  - *Economic Recovery Initiative for Lac Mégantic*
  - *Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile*
  - *Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec* (SICSBOQ)
  - *Linguistic Duality Economic Development Initiative* (EDI)

Canada-wide program implemented in Quebec by CED:
- *Community Futures Program* (CFP)

Infrastructure Canada's delivery partner for administration in Quebec:[8]
- *Building Canada Fund–Quebec* (BCF)

[6] Visit CED's website: www.dec-ced.gc.ca/eng/publications/agency/strategic/2012/261/index.html.

[7] CED contributes to the design, administration or implementation in Quebec of nationwide grants and contributions (G&C) programs and temporary initiatives. For further details concerning these programs and initiatives, visit CED's website: www.dec-ced.gc.ca/eng/programs/qedp/index.html and the supplementary tables on transfer payments.

[8] For further details on this program, visit the Infrastructure Canada website: www.infrastructure.gc.ca.

1.2.2 Strategic Outcome and Program Alignment Architecture

This report is structured according to CED's *Program Alignment Architecture* (PAA), which came into effect on April 1, 2012. The following list presents CED's complete framework of four programs and seven sub-programs,[9] the links among them, and the strategic outcome to which they contribute.

1. **Strategic Outcome:** Quebec's regions have a growing economy

   1.1 **Program:** Business Development
      1.1.1 **Sub-program:** *Entrepreneurship Support*
      1.1.2 **Sub-program:** *Business Performance*

   1.2 **Program:** Regional Economic Development
      1.2.1 **Sub-program:** *Regional Engagement*
      1.2.2 **Sub-program:** *Regional Investment*

   1.3 **Program:** Strengthening Community Economies
      1.3.1 **Sub-program:** *Community Futures Program*
      1.3.2 **Sub-program:** *Infrastructure Modernization*
      1.3.3 **Sub-program:** *Targeted and/or Temporary Support*

   1.4 **Program:** Internal Services

[9] Note that a grants and contributions (G&C) program or a transfer payment program does not correspond to a program or sub-program in the PAA.

1.2.3 Organizational Priorities

Priorities represent the areas on which CED has decided to focus, but do not exclude the execution of activities in other areas of the PAA. These priorities are established to reflect those of the Government of Canada, targeted departmental results and risks, and the economic challenges of the different regions of Quebec. During FY 2015–16, CED has chosen the following three priorities, which are in line with those presented in its latest *Reports on Plans and Priorities* (RPPs):

Priority #1	Type[10]	Program
Continue supporting the maintenance and growth of enterprises	Ongoing	1.1 *Business Development*
Description		
Why is this a priority? Enterprises create employment and wealth. They play an important role in Quebec's prosperity by stimulating economic activity in the communities and regions where they are based. Following a year of weaker growth owing to a decline in residential and business investment, economic growth should strengthen in Quebec as a result of increased business investment[11] and exports. CED therefore intends to continue supporting Quebec enterprises as they meet challenges likely to slow down or curb their development. In this way, they will be able to harness the opportunities afforded by the economic recovery in the U.S. and the signing of different free trade agreements, including the *Comprehensive Economic and Trade Agreement* (CETA) between Canada and the European Union.		

[10] Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR.

[11] Desjardins, *Economic & Financial Outlook*, December 22, 2014, www.desjardins.com/ressources/pdf/pefin1412-e.pdf?resVer=1419258785000.

What are the plans for meeting this priority?

1. **Optimize its intervention with regard to SMEs and NPOs in support of enterprises:**

   CED will implement its intervention in order to contribute to business development by focussing on projects submitted by SMEs and NPOs aimed at:

   - creation and startup of enterprises;
   - productivity and expansion;
   - innovation and technology transfer; and
   - commercialization and exports.

   Through business offices' regional strategies and integrated departmental planning, CED intends to direct its intervention in line with its priorities.

2. **Promote and strengthen Quebec enterprises' capabilities within the framework of the Government of Canada's procurement strategies**

   CED will work to strengthen Quebec SMEs' capability to harness the business opportunities arising from the Government of Canada's procurement strategies, in particular those in the defence field, with a view to maximizing the industrial and technological spinoffs in Quebec.

Priority #2	Type	Program
Contribute to the development of the economy of communities and regions, in particular through targeted and/or temporary support	Ongoing (wording revised since FY 2014–15)	1.2 *Regional Economic Development* 1.3 *Strengthening Community Economies*

Why is this a priority?

Communities contribute to Quebec's economic growth and long-term prosperity. In some cases, tailored support is required in order to foster development of the economy and the vitality of Quebec communities.

Quebec's regions and communities sometimes have to deal with a major economic shock or meet special challenges. Similarly, specific development opportunities emerge, and represent opportunities to be grasped. In these situations, it is appropriate for CED to introduce tailored intervention measures to boost weakened economic activity or harness development opportunities.

What are the plans for meeting this priority?

1. **Continued implementation of the *Economic Recovery Initiative for Lac Mégantic***
   - Building on its efforts of previous years, CED will continue to contribute to the economic recovery of the town of Lac Mégantic, hard hit by the rail disaster of July 6, 2013, by accompanying local agents in their economic development efforts.
   - The $35-million envelope involves the following three components:
     - $20 million for rebuilding the town;
     - $10 million to support economic and commercial activity; and
     - $5 million for the creation of two investment funds managed by the CFDC: a first fund with $3 million for economic and commercial recovery, and a second with $2 million for upgrading and construction of community infrastructure.

2. **Continued implementation of the *Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile***
   - With a $50-million envelope, this initiative helps attain the Government of Canada's priority, set out in its *Economic Action Plan* (EAP, 2013), of supporting the economic transition of communities associated with the chrysotile asbestos industry to the secondary and tertiary sectors.
   - CED will continue to guide communities and enterprises in the Des Appalaches and Des Sources RCMs in their efforts to strengthen their economic base and increase their long-term growth potential.

3. **Planning and funding of community economic facilities (CEF)**
   - This component is intended to generate investment in the regions by supporting the planning and funding of community facilities likely to contribute to economic growth or communities' vitality.

4. **Upgrading of facilities to boost the local economy**
   - Through its activities under the *Quebec Economic Development Program* (QEDP), CED funds projects leading to the upgrading of local facilities which contribute to economic activity and the vitality of small communities.

Priority #3	Type	Programs
Continue the Agency's modernization to enhance its performance	Ongoing (wording revised since FY 2014–15)	All

Why is this a priority?

In line with Government of Canada priorities, modernization of CED's procedures will help enhance its performance and provide its clients with improved service in a stimulating context for its employees.

What are the plans for meeting this priority?

In 2015–16, CED intends to complete its modernization through:

- enhancement of its service delivery to Canadians, by continuing the simplification and modernization of its business processes and completing its preparations for the migration of CED's website to Canada.ca by December 2016.
- optimization of internal processes and improvement of the tools at its employees' disposal through the implementation of innovative approaches to information management and use of technology.
- implementation of tangible measures for building the Public Service of the Future by continuing its initiatives stemming from the *Destination 2020* action plan and fostering a collaborative, innovative, stimulating workplace.

1.2.4 Risk Analysis

To achieve its results, CED ensures that it has ongoing analysis of the environment so it can recognize and understand the new challenges and opportunities that have a marked influence on its intervention. It incorporates risk management into its decision-making processes and departmental planning, and implements appropriate risk response strategies to attain its results and enhance decision-making and allocation of its resources.

The table below presents the risks, associated response strategies, and the link to the PAA and organizational priorities.

Corporate Risk	Risk Response Strategy	Link to Program Alignment Architecture
External Risk		
Economic Risk and Institutional Capacity Risk that the pursuit of priorities and expected results from CED's economic development programs may be affected by the economic context and the various changes likely to affect support for regional development and assistance to enterprises	• Ongoing watch on changes in the context of regional economic development in Quebec; • Analysis of the impact for CED of the various changes likely to affect support for regional development and assistance to enterprises; • Maintenance of regional watch and analysis capability in order to adjust program delivery, as required; • Development and implementation of specific or temporary initiatives in response to issues specific to the regions; and • Implementation of an external communication strategy to reflect adjustments to CED's priorities or programming, as applicable.	Program 1.1 Program 1.2 Program 1.3

1.3 Planned Spending

This section provides an overview of planned financial and human resources.

Budgetary Financial Resources[12] (Planned Spending – dollars)

Main Estimates 2015–16	Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18[13]
261,082,194	261,082,194	244,615,197	239,804,621

Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
316	316	316

[12] This chart includes grants and contributions expenditures and operating expenditures.

[13] Between FYs 2013–14 and 2017–18, spending on CED's regular programs is maintained, while funding for these programs holds steady from year to year. The difference observed in CED's planned spending from 2015–16 to 2017–18 is primarily attributable to the amount of reinvestment of revenues from clients' contribution repayments that is included in planned spending for 2015–16 but not for the following two years, since the authority has not been granted at this stage.

Table 1 – Budgetary Planning Summary by Strategic Outcome and Program[14] (dollars)

Strategic Outcome, Programs and Internal Services	Expenditures 2012–13[15]	Expenditures 2013–14	Forecast Spending 2014–15	Main Estimates 2015–16	Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18[16]
Strategic Outcome #1: Quebec's regions have a growing economy							
Program 1.1: *Business Development*	130,483,270	147,594,135	137,631,156	151,677,176	151,677,176	140,314,211	139,815,622
Program 1.2: *Regional Economic Development*	44,054,296	39,132,388	45,877,052	35,237,511	35,237,511	32,313,131	32,297,398
Program 1.3: *Strengthening Community Economies*	102,808,455	64,286,545	51,572,138	53,720,902	53,720,902	51,673,326	47,966,263
Subtotal – Strategic Outcome #1	277,346,021	251,013,068	235,080,346	240,635,589	240,635,589	224,300,668	220,079,283
Subtotal – Internal Services	19,083,325	18,292,750	18,043,927	20,446,605	20,446,605	20,314,529	19,725,338
TOTAL	**296,429,346**	**269,305,818**	**253,124,273**	**261,082,194**	**261,082,194**	**244,615,197**	**239,804,621**

[14] This chart includes grants and contributions expenditures and operating expenditures. Internal services include only operating expenditures.

[15] The decrease in spending from 2012–13 to 2013–14 with respect to the *Strengthening Community Economies* program is primarily attributable to the termination of funding for the following temporary initiatives: *Thetford Mines Gas Pipeline Program*, *Temporary Initiative for the Strengthening of Quebec's Forest Economies* (TISQFE) and *Support Initiative for International Cruise Development Along the St. Lawrence and Saguenay Rivers*.

[16] Between FYs 2013–14 and 2017–18, spending on CED's regular programs is maintained, while funding for these programs holds steady from year to year. The difference observed in CED's planned spending from 2015–16 to 2017–18 is primarily attributable to the amount of reinvestment of revenues from clients' contribution repayments that is included in planned spending for 2015–16 but not for the following two years, since the authority has not been obtained at this stage.

Analysis of Planned Spending by PAA Program (2015–16)

For FY 2015–16, CED's total grants and contributions (G&C) expenditures and operating expenditures should amount to $261 million. Of this, $218 million should be invested in G&C in projects involving economic development, while $43 million should be used for operations.

A. Forecasts for PAA programs, excluding Internal Services

Table 1 shows that CED's planned spending for 2015–16, aside from that associated with Internal Services, should reach $240.6 million, thus accounting for 92% of its total expenditures. Spending should be divided among CED's PAA programs as follows:

- 63% for *Business Development*;
- 15% for *Regional Economic Development*; and
- 22% for *Strengthening Community Economies*.

B. Performance of Internal Services

Table 1 also shows that CED's planned spending in 2015–16 in the *Internal Services* program of its PAA should amount to $20.4 million, thus accounting for 8% of its total anticipated expenditures.

1.4 Alignment of Spending With Whole-of-Government Framework

Alignment of Planned Spending for 2015–16 with the Whole-of-Government Framework[i] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	Planned Spending 2015–16
Quebec's regions have a growing economy	1.1 Business Development	Economic Affairs	Strong economic growth	151,677,176
	1.2 Regional Economic Development	Economic Affairs	Strong economic growth	35,237,511
	1.3 Strengthening Community Economies	Economic Affairs	Strong economic growth	53,720,902
	1.4 Internal Services	Economic Affairs	Strong economic growth	20,446,605

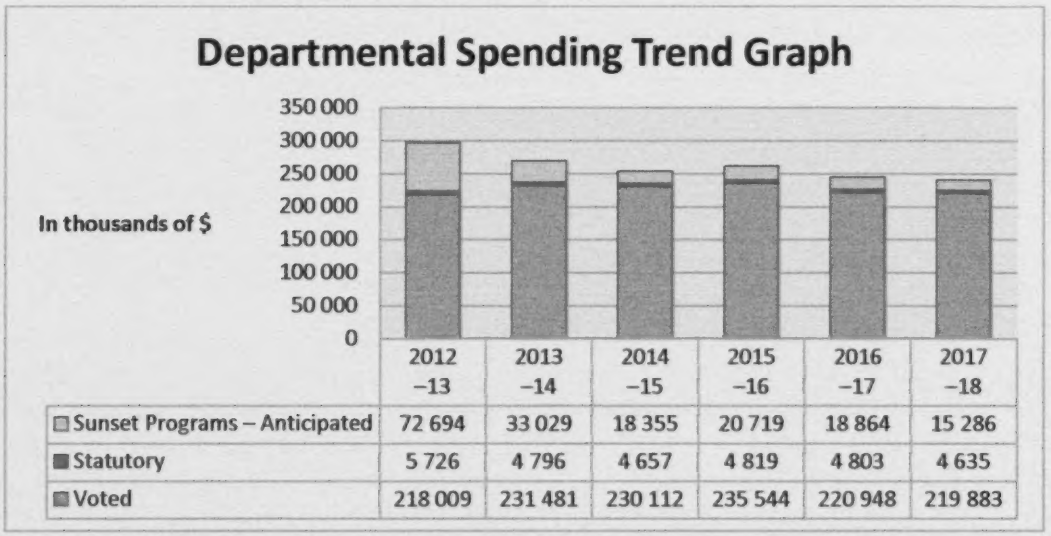
Total Planned Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic Affairs	261,082,194
Social Affairs	N/A
International Affairs	N/A
Government Affairs	N/A

1.5 Departmental Spending Trend

The figure below shows CED's actual and planned spending trends during the previous three and next two fiscal years. The light grey bar corresponds to grants and contributions (G&C) and operating expenditures under its programs,[17] while the dark grey bar indicates those associated with sunset programs. The black bar corresponds to statutory expenditures associated with CED employees' fringe benefit plan.

Figure 1: CED's Spending Trend, 2012–2018



	2012 –13	2013 –14	2014 –15	2015 –16	2016 –17	2017 –18
Sunset Programs – Anticipated	72 694	33 029	18 355	20 719	18 864	15 286
Statutory	5 726	4 796	4 657	4 819	4 803	4 635
Voted	218 009	231 481	230 112	235 544	220 948	219 883

From 2013–14 to 2017–18, expenditures associated with CED's regular programs will hold steady, and funding levels for these programs will remain constant year to year.

In 2015–16, CED's total planned spending is $261 million. This difference, starting in 2015–16 and subsequent years, is attributable to the reinvestment of revenues from clients' contribution repayments that is included in planned spending for 2015–16, but not for 2016–17 and 2017–18, since the Main Estimates for those fiscal years have not been authorized at this stage.

With respect to sunset programs, CED's expenditures depend on the targeted and/or temporary initiatives put in place during the fiscal years covered by this report. For FY 2015–16, CED plans to continue delivery of the following temporary initiatives in Quebec, without being limited to them: the *Economic Recovery Initiative for Lac Mégantic* and the *Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile* (2013–2020). CED will also continue to deliver the Canada-wide *Linguistic Duality Economic Development Initiative* (EDI) 2013–2018.

[17] CED's programs are the *Quebec Economic Development Program* (QEDP) and the *Community Futures Program* (CFP).

1.6 Estimates by Vote

For information on CED's voted appropriations, please consult the *Main Estimates 2015–16*.[ii]

SECTION II: Analysis of Programs by Strategic Outcome

This section provides information on CED's planning, with regard to its Program Alignment Architecture (PAA), shown below. It reviews CED's programs and sub-programs[18] which contribute to achievement of its strategic outcome, providing for each of them a brief description and a forecast of the human and financial resources required to attain the organization's expected performance targets.[19]

1. Strategic Outcome – Quebec's regions have a growing economy

Program 1.1 BUSINESS DEVELOPMENT	Program 1.2 REGIONAL ECONOMIC DEVELOPMENT	Program 1.3 STRENGTHENING COMMUNITY ECONOMIES
Sub-program 1.1.1: ENTREPRENEURSHIP SUPPORT	**Sub-program 1.2.1:** REGIONAL ENGAGEMENT	**Sub-program 1.3.1:** COMMUNITY FUTURES PROGRAM
Sub-program 1.1.2: BUSINESS PERFORMANCE	**Sub-program 1.2.1:** REGIONAL INVESTMENT	**Sub-program 1.3.2:** INFRASTRUCTURE MODERNIZATION
		Sub-program 1.3.3: TARGETED AND/OR TEMPORARY SUPPORT

Program 1.4 INTERNAL SERVICES

[18] A grants and contributions (G&C) program or a transfer payment program does not correspond to a program or sub-program in the PAA.

[19] Expected results targets are established in line with the context of CED's intervention and its priorities, departmental risks, and resources.

2.1 Strategic Outcome (SO): Quebec's regions have a growing economy

Overall Performance

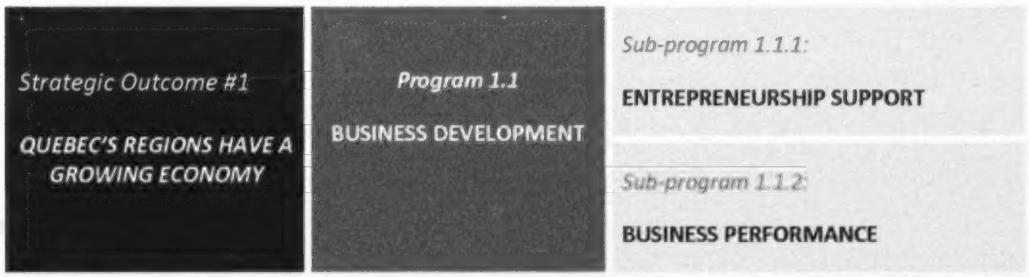
SO Performance Indicator	Target	Target Attainment Schedule[20]
Number of Quebec administrative regions having increased their gross domestic product	17	2016–17
Percentage of Quebec communities[21] having improved their economic performance[22]	65%	2016–17

[20] The target attainment schedule for CED's strategic outcome is five years after the QEDP came into effect, that is, the end of FY 2016–17. For the targets presented above, CED will therefore provide the results in its *Departmental Performance Report* (DPR) 2017–18.

[21] By "communities," CED means Quebec's 104 regional county municipalities (RCMs) and equivalent territories.

[22] Measured by the progression of the economic variables in CED's economic development index (e.g., participation rate, level of entrepreneurship and exporting establishments, value of building permits, productivity, etc.).

2.2 Program 1.1 – *Business Development*



Description

This program (P) is designed to support enterprises throughout their life cycle so as to sustain Quebec's economic growth. Enterprises, small and medium-sized enterprises (SMEs) in particular, are an engine of economic development. They are recognized as generating a significant share of economic activity and creating employment in communities.

Canada Economic Development Agency for the Regions of Quebec (CED) contributes to the renewal of the pool of enterprises in Quebec by supporting the emergence of new SMEs and business succession. CED also works to increase the competitiveness of existing enterprises and support their survival by enhancing their performance. CED does so by supporting SMEs that modernize, expand, launch or extend their export activities, reinforce their innovation capability, commercialize, and establish partnerships.

In this program, CED mainly targets enterprises either directty or via non-profit organizations providing support for enterprises and entrepreneurs. CED promotes business development through a grants and contributions program, the *Quebec Economic Development Program* (QEDP).

Program Budgetary Financial Resources[23] (dollars)

Main Estimates 2015–16	Planned Spending 2015–16[24]	Planned Spending 2016–17	Planned Spending 2017–18
151,677,176	151,677,176	140,314,211	139,815,623

Program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17[25]	2017–18
136	147	147

Program Performance Measurement

Program 1.1: Business Development			
Expected Final Result[26]	**Performance Indicator**	**Target**	**Target Attainment Date**
The pool of enterprises in Quebec is renewed	Survival rate after three years of enterprises having received startup support	80%	March 31, 2016
Quebec enterprises are competitive	Survival rate after three years of enterprises having received development support	95%	March 31, 2016

[23] This chart includes grants and contributions expenditures and operating expenditures.

[24] Reinvestment of revenues from clients' contribution repayments is included in planned spending for 2015–16, but not for FYs 2016–17 and 2017–18, since the Main Estimates for those years have not been authorized at this stage.

[25] For FY 2015–16, the *Strengthening Community Economies* program will be in greater demand, while for the following two years, these resources will be redistributed primarily in the *Business Development* program. This partly explains the increase in the number of FTEs for this program.

[26] Expected final results for all programs correspond to the results obtained in the medium term by projects funded prior to FY 2015–16 which terminated three years after the termination of funding provided by CED.

Planning Highlights

During FY 2015–16, CED plans to continue, under the *Business Development* program, its financial support for enterprises throughout their life cycle so as to contribute to the renewal of the pool of enterprises in Quebec and enhance the competitiveness of existing businesses.

CED's intervention in this program is identified as an organizational priority in 2015-16, and involves promoting the maintenance and growth of business.

By March 31, 2016, CED aims to achieve the following two results through its financial support under this program:

- 80% of the businesses having received startup support are still operating three years after the funding ends; and
- 95% of the businesses supported in their development are still operating three years after the funding ends.

In this regard, Statistics Canada concluded in a study carried out in 2013 that enterprises having received support from CED posted a higher average survival rate (85%) than a control group consisting of non-client enterprises (78%), after five years of operation.

2.2.1 Sub-program 1.1.1 – *Entrepreneurship Support*

Description

This sub-program (SP) is aimed at increasing the pool of enterprises in Quebec. Entrepreneurial dynamism is lower in Quebec than in the rest of Canada.[27] CED hopes to boost entrepreneurial dynamism throughout Quebec. It does so by encouraging business pre-startups and startups, and by supporting the survival of existing enterprises through succession planning and business transfers.

In this SP, CED provides support to enterprises or non-profit organizations that support enterprises and entrepreneurs, such as entrepreneurship centres, incubators, and transfer and spinoff organizations. CED contributes to supporting entrepreneurship through its grants and contributions program, the QEDP.

Sub-program Budgetary Financial Resources[28] (dollars)

Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18
22,458,571	20,793,817	20,668,812

Sub-program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
21	23	23

[27] Fondation de l'entrepreneurship (2014), *Indice entrepreneurial québécois : Qu'est-ce qui motive nos jeunes à faire le grand saut? (Quebec's entrepreneurial index: What motivates our young people to take the plunge?)*, www.entrepreneurship.qc.ca/sites/default/files/docs/analyses/IEQ_CDP_2014_RapportComplet_11x8-5_VF-9.pdf.

"The percentage of the population expressing their intention of one day creating a new enterprise or taking on an existing one was 19.1% in Quebec and 27.6% in the rest of Canada in 2014."

[28] This chart includes grants and contributions expenditures and operating expenditures.

Sub-program Performance Measurement

Expected Intermediate Result[29]	Performance Indicator	Target	Target Attainment Date
Sub-program 1.1.1: *Entrepreneurship Support*			
Enterprises are started up	Percentage of enterprises started up[30]	35%	March 31, 2016

Planning Highlights

The entrepreneurial deficit is a major issue in Quebec, and has an impact on enterprise startups. During FY 2015–16, CED plans to continue its financial backing under the *Entrepreneurship Support* SP in order to enhance entrepreneurial dynamism in Quebec.

CED intends to foster the maintenance and growth of enterprises, one of its priorities for 2015–16, by focussing on projects involving, among other things, the creation and startup of new enterprises.

Through its intervention in this SP, CED estimates that 35% of enterprises supported should have started up two years after the termination of the funding awarded.

[29] Expected intermediate results for all sub-programs correspond to the results obtained in the short term by projects funded prior to FY 2015–16 which terminated two years after the termination of funding provided by CED.

[30] An enterprise has started up when it has been in operation for at least one year and is generating income amounting to at least 80% of its expenditures.

2.2.2 Sub-program 1.1.2 – *Business Performance*

Description

The goal of this sub-program (SP) is to increase Quebec enterprises' performance and competitiveness. The productivity of the Quebec economy is lower than the average for the rest of Canada,[31] and productivity gains can be achieved among other things through investment carried out by Quebec enterprises.

In fact, in the context of growing global competition, Quebec enterprises wishing to develop or ensure their survival have to innovate and convert their ideas into business opportunities, enhance their productivity and penetrate new markets.

CED accompanies enterprises from the different regions of Quebec to help them meet these challenges. It does so by encouraging them to invest to optimize their production and increase their efforts with respect to innovation, technology transfer, commercialization and exports. CED also assists in the structuring of business networks in which enterprises operate.

CED's intervention in this SP is aimed at enterprises and non-profit organizations that support enterprises or entrepreneurs. CED acts on enterprises' performance through its grants and contributions program, the QEDP.

Sub-program Budgetary Financial Resources[32] (dollars)

Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18
129,218,605	119,520,394	119,146,810

[31] Centre sur la productivité et la prospérité, HEC Montréal (2014), *Productivity and Prosperity in Quebec: 2014 Overview* cpp.hec.ca/wp-content/uploads/2014/11/PP_2014_01_OVERVIEW.pdf.

" Labour productivity, which measures the value of the wealth created per hour worked, was $55.40 in Quebec, and $61.44 in Canada in 2013. Average annual labour productivity growth was 1.04% in Quebec and 1.18% in Canada between 1981 and 2013."

[32] This chart includes grants and contributions expenditures and operating expenditures.

Sub-program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
115	124	124

Sub-program Performance Measurement

Expected Intermediate Result	Performance Indicator	Target	Target Attainment Date
Sub-program 1.1.2: Business Performance			
Enterprises improve their performance	Percentage of enterprises supported having maintained or increased their sales or self-generated revenue	67%	March 31, 2016

Planning Highlights

During FY 2015–16, CED plans to continue its financial support under the *Business Performance* SP with a view to sustaining the prosperity and competitiveness of Quebec enterprises. CED's financial support will enable Quebec enterprises to expand their facilities, optimize their production chains or develop new products, services and processes. Also, the depreciating Canadian dollar could help them increase their market shares outside Canada.

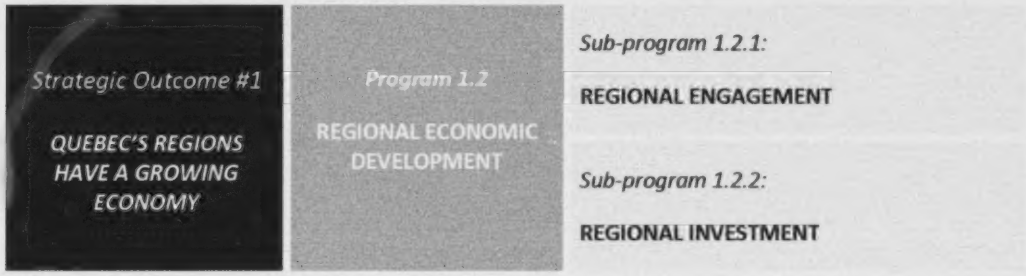
Moreover, in line with its first priority, CED will work to strengthen Quebec SMEs' capability to take advantage of business opportunities arising from the Government of Canada's procurement strategies.

CED fosters the maintenance and growth of enterprises, one of its priorities for 2015-16, by focussing on projects associated with, among other things, productivity, expansion, innovation, technology transfer, commercialization or exports.

CED also intends to continue its support for the Canada Business Network (CBN) service centres in Quebec (*Info entrepreneurs* in Montreal, and *Ressources entreprises* in Quebec City). These provide information and referral services to guide entrepreneurs toward specialized resources.

Through its action in this SP, CED estimates that 67% of enterprises receiving support should have increased, or at least maintained, their sales or self-generated revenue, two years after the termination of the funding awarded.

2.3 Program 1.2 – *Regional Economic Development*



Description

This program (P) is intended to strengthen the regions' economic base so as to sustain the growth of Quebec's economy. Quebec's regions differ in, among other things, their industrial structure, and some are more sensitive to economic fluctuations. Quebec's prosperity depends on the participation of the different regions in the economy to their full potential.

CED wishes to contribute to building strong and competitive regions. It does so by supporting local communities as they take charge of their economic development and by stimulating investment in all Quebec regions.

In this program, CED intervenes primarily through non-profit organizations active in economic development. CED acts on regional economic development through its grants and contributions program, the QEDP.

Sub-program Budgetary Financial Resources [33] (dollars)

Main Estimates 2015–16	Planned Spending 2015–16[34]	Planned Spending 2016–17	Planned Spending 2017–18
35,237,510	35,237,510	32,313,130	32,297,397

[33] This chart includes grants and contributions expenditures and operating expenditures.

[34] Reinvestment of revenues from clients' contribution repayments is included in planned spending for 2015–16, but not for FYs 2016–17 and 2017–18, since the Main Estimates for those years have not been authorized at this stage.

Program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
15	17	17

Program Performance Measurement

Program 1.2: Regional Economic Development			
Expected Final Result	**Performance Indicator**	**Target**	**Target Attainment Date**
Quebec regions have a stronger economic base.	Amount of total investment generated in regions supported that have completed implementation of their development project	$14M	March 31, 2016
	Amount of spending by tourists from outside Quebec attracted to the regions supported	$3.5B	March 31, 2016
	Amount of foreign direct investment maintained in or attracted to the regions supported	$900M	March 31, 2016

Planning Highlights

During FY 2015–16, CED plans to continue its financial support to the different regions of Quebec under the *Regional Economic Development* program so as to strengthen their economic base and contribute to Quebec's economic growth.

CED wishes to stimulate investment in the regions so as to generate opportunities for development, economic diversification and promotion of regional assets. By March 31, 2016, CED aims to attain the following three targets:

- the value of investment generated in communities assisted through the implementation of development projects arising from engagement strategies or plans to acquire community economic facilities should total $14 million in 2015–16;
- the value of spending by tourists from other provinces and outside Canada should reach $3.5 billion in 2015–16; and
- the value of foreign direct investment by foreign companies and international agencies should hit $900 million in 2015–16. During 2012–13 and 2013–14, the value of such investment reached $2.5 billion, since Quebec had an outstanding year in 2013–14 in terms of attracting foreign investment.

2.3.1 Sub-program 1.2.1 – *Regional Engagement*

Description

This sub-program (SP) is aimed at supporting local communities as they take charge of their development so as to strengthen the economic base of Quebec's regions. Local accountability with regard to local economic development and the synergy with which stakeholders interact are success factors in eliciting the establishment of growth-generating projects.

CED sustains the growth and diversification of Quebec communities by supporting engagement and joint action by the various stakeholders, planning of their economic development, canvassing, pursuit of funding and implementation of structuring, recovery or diversification initiatives.

In this SP, CED intervenes primarily through non-profit organizations with an economic role. CED acts on *Regional Engagement* through its grants and contributions program, the QEDP.

Sub-program Budgetary Financial Resources[35] (dollars)

Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18
3,591,823	3,276,666	3,262,546

Sub-program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
3	3	3

[35] This chart includes grants and contributions expenditures and operating expenditures.

Sub-program Performance Measurement

Expected Intermediate Result	Performance Indicator	Target	Target Attainment Date
Sub-program 1.2.1: Regional Engagement			
Communities take charge of their economic development	Percentage of communities supported which implement engagement projects	50%	March 31, 2016

Planning Highlights

During FY 2015–16, CED plans to continue its financial support under the *Regional Engagement* SP to engage community economic development agents in a common approach to increasing awareness of the region by developing and implementing engagement projects, such as a diversification or economic recovery strategy.

By March 31, 2016, CED anticipates that 50% of the communities supported in taking charge of their own economic development will be in the process of implementing several projects arising from their plans, studies or engagement strategies.

2.3.2 Sub-program 1.2.2 – *Regional Investment*

Description

This sub-program (SP) is aimed at increasing investment in the different regions of Quebec so as to strengthen their economic activity base. Quebec's regions are faced with global competition, and have to compete to attract investment needed to maximize their economic growth.[36]

Quebec must build on its current strengths, such as: access to the North American market, a diversified economy, niches of excellence, skilled workers, an enviable quality of life, abundant resources, distinctive tourism, and more.

CED supports regions in their efforts to acquire the equipment necessary to harness their assets in order to stimulate business and generate economic spinoffs. It also does so by enhancing promotion of regional assets with a view to increasing tourist spending and attraction of foreign direct investment through foreign firms and international organizations.

In this SP, CED focusses on non-profit organizations. CED intervenes in the *Regional Investment* SP through its grants and contributions program, the QEDP.

Sub-program Budgetary Financial Resources[37] (dollars)

Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18
31,645,687	29,036,464	29,034,851

Sub-program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
12	14	14

[36] Centre sur la productivité et la prospérité, HEC Montréal (2010), *Ouverture aux investissements directs étrangers et productivité au Canada (Openness to Foreign Direct Investment and Productivity in Canada)*: cpp.hec.ca/blog/ouverture-aux-investissements-directs-etrangers-et-productivite-au-canada.

[37] This chart includes grants and contributions expenditures and operating expenditures.

Sub-program Performance Measurement

Expected Intermediate Result	Performance Indicator	Target	Target Attainment Date
Sub-program 1.2.2: *Regional Investment*			
Quebec regions attract investment	Percentage of communities supported which implement community economic facility projects	85%	March 31, 2016
	Number of tourists from outside Quebec attracted to the regions	6.5M	March 31, 2016
	Number of international agencies and foreign firms maintained in or attracted to the regions supported	43	March 31, 2016

Planning Highlights

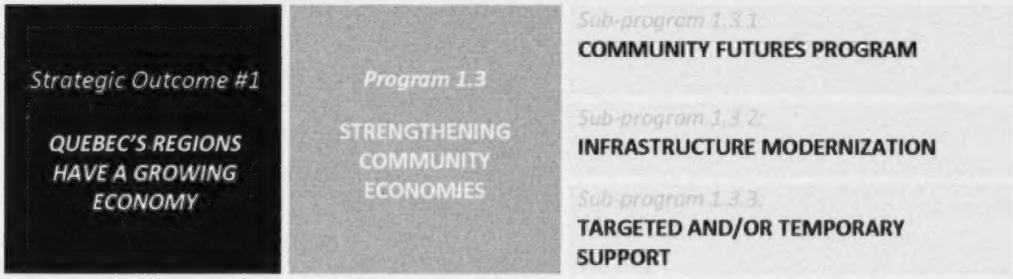
During FY 2015–16, CED plans to continue its financial support under the *Regional Investment* SP in order to contribute to the competitive positioning efforts of Quebec's different regions, foster increasing international awareness of Quebec's regional and sectoral assets, and attract new investment.

By March 31, 2016, CED plans to contribute to attainment of the following three targets:

- 85% of communities receiving support for acquisition of community economic facilities essential for their development will benefit from the completion of their projects;
- 6.5 million tourists from outside Quebec should visit the different regions of Quebec;[38] and
- 43 foreign firms and international agencies should be maintained, expanded or attracted to Quebec.

[38] See the Tourisme Québec website: www.tourisme.gouv.qc.ca/publications/categorie/tourisme-quebec-bref-53.html.

2.4 Program 1.3 – *Strengthening Community Economies*



Description

In addition to its regular programs, CED develops, administers and implements Canada-wide programs or temporary and/or targeted initiatives. The common objective is "Strengthening Community Economies," in order to increase Quebec's economic growth.

CED supports communities' economic development and ensures sound and effective management of infrastructure programs in Quebec. CED also supports economic activity in Quebec communities that are sustaining economic shocks, experiencing development challenges or where long-term business opportunities exist.

This program (P) is directed at enterprises and non-profit organizations. CED may use dedicated, temporary or permanent additional funding from the Government of Canada, or specific funds allocated, intervening via the QEDP. CED also contributes using a permanent fund dedicated to the *Community Futures Program* (CFP).

Program Budgetary Financial Resources[39] (dollars)

Main Estimates 2015–16	Planned Spending 2015–16[40]	Planned Spending 2016–17	Planned Spending 2017–18[41]
53,720,902	53,720,902	51,673,326	47,966,263

[39] This chart includes grants and contributions expenditures and operating expenditures.

[40] Reinvestment of revenues from clients' contribution repayments is included in planned spending for 2015–16, but not for FYs 2016–17 and 2017–18, since the Main Estimates for those years have not been authorized at this stage.

[41] The financial profile presented reflects the implementation of current and potential projects under temporary initiatives.

Program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
36	23	23

Program Performance Measurement

Program 1.3: Strengthening Community Economies			
Expected Final Result	**Performance Indicator**	**Target**	**Target Attainment Date**
Quebec communities have stronger economies	CFP: Percentage point increase in the survival rate of CFP clients having received assistance over comparable enterprises not having received support	15 percentage points	March 31, 2016
	Infrastructure Modernization: Amount of total investment generated in communities[42]	—	—
	Targeted and/or Temporary Support: Amount of total investment generated in communities	$42M	March 31, 2016

[42] Expected results with respect to this program appear in Infrastructure Canada's *Report on Plans and Priorities*, www.infrastructure.gc.ca.

Planning Highlights

During FY 2015–16, CED plans to continue, under the *Strengthening Community Economies* program, its financial support in order to contribute to the prosperity and economic growth of Quebec regions.

CED will continue delivery in Quebec of the Canada-wide program (CFP), four temporary initiatives[43] and one national initiative,[44] and will continue to act as Infrastructure Canada's delivery partner for the administration in Quebec of the *Building Canada Fund* (BCF).

The survival rate over five years of CFP clients having received assistance should be at least 15 percentage points higher than of comparable enterprises having received no support in 2015–16 that are part of the control group.

One of CED's priorities for 2015–16 is to contribute to development of the economy of communities and regions through targeted and/or temporary initiatives, namely:

- the *Economic Recovery Initiative for Lac Mégantic*; and
- the *Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile*.

In 2015–16, the value of investment generated in communities assisted through the strengthening of their economy should total $42 million. Since the number and nature of the initiatives under this sub-program vary from year to year in line with local needs, the total value of investment generated fluctuates accordingly.

[43] *Economic Recovery Initiative for Lac Mégantic, Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile, Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec* and *Local Investment Initiative (LII).*

[44] *Linguistic Duality Economic Development Initiative (2013–2018).*

2.4.1 Sub-program 1.3.1 – *Community Futures Program* (CFP)

Description

This sub-program (SP) is aimed at assisting local economic development in rural areas in order to strengthen the economy of Quebec communities. This SP implements a national program called the *Community Futures Program* (CFP).

The CFP plays an important role in strengthening the ability of rural communities to diversify their economic base to foster long-term prosperity and sustainability.

By means of the CFP, CED encourages Quebec rural communities' planning and socio-economic development, access to capital, availability of consulting services and support for local projects.

CED delivers the CFP in Quebec with the help of Community Futures Development Corporations and Business Development Centres, by means of contribution agreements.

Sub-program Budgetary Financial Resources[45] (dollars)

Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18
30,329,464	30,328,604	30,280,263

Sub-program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
12	12	12

[45] This chart includes grants and contributions expenditures and operating expenditures.

Sub-program Performance Measurement

Expected Intermediate Result	Performance Indicator	Target	Target Attainment Date
Sub-program 1.3.1: *Community Futures Program (CFP)*			
Communities are economically sustainable	Percentage point increase in the sales growth rate of CFP clients having received assistance over comparable enterprises not having received support	7.5 percentage points	March 31, 2016

Planning Highlights

During FY 2015–16, CED plans to continue its financial support under the *Community Futures Program* SP in order to contribute to strengthening the economy of Quebec's rural communities.

By March 31, 2016, CED plans to contribute to attaining the following expected result:

- the sales growth rate of CFP clients having received assistance should be 7.5 percentage points higher than of comparable enterprises not having received support.

2.4.2 Sub-program 1.3.2 – *Infrastructure Modernization*

Description

This sub-program (SP) is aimed at ensuring sound and effective management of infrastructure programs in order to strengthen the economy of Quebec's communities. Quality public infrastructure is a key factor in economic development.

CED acts as Infrastructure Canada's delivery partner for the administration in Quebec of their different programs, including the *Building Canada Fund* (Community and Large Urban Centres component).[46]

These grants and contributions programs are the subject of agreements between Infrastructure Canada and the Quebec government and are aimed primarily at municipalities.

Sub-program Budgetary Financial Resources[47] (dollars)

Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18
453,815	453,529	—

Sub-program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18[48]
4	4	—

[46] CED is responsible for monitoring the use of funds on behalf of the federal government. It is also in charge of verifying project compliance with the standards in the signed Framework Agreements and program terms and conditions.

[47] This chart includes operating expenditures only.

[48] Funding provided by Infrastructure Canada for projects through the *Building Canada Fund* and core funding for provinces and territories will terminate effective FY 2017–18.

Sub-program Performance Measurement

Expected Intermediate Result	Performance Indicator	Target	Target Attainment Date
Sub-program 1.3.2: *Infrastructure Modernization*			
Quebec communities have upgraded public infrastructure	Number of communities with public infrastructure completed according to the terms of the contribution agreement	—	—

Planning Highlights
During FY 2015–16, CED plans to continue to work with Infrastructure Canada to ensure the implementation in Quebec of the *Building Canada Fund* Community and Large Urban Centres components so that Quebec communities have upgraded public infrastructure. CED is responsible for verifying project compliance with the standards in the Framework Agreements and program terms and conditions. It is also in charge of monitoring the use of funds for the federal government. Planning highlights and expected results with respect to these programs may be found in Infrastructure Canada's *Report on Plans and* Priorities.[49]

[49] See Infrastructure Canada's website: www.infrastructure.gc.ca.

2.4.3 Sub-program 1.3.3 – *Targeted and/or Temporary Support*

Description

This sub-program (SP) is aimed at providing targeted and/or temporary support for Quebec communities' economic activity in order to stabilize or strengthen their economies. The shifting context requires a real-time response that is geared to the most pressing local needs and consistent with specific government priorities.

CED provides support to Quebec communities facing economic shocks, natural disasters or situations that can have an adverse impact on their economic development, and that are facing serious economic development issues or presented with development opportunities likely to have a positive impact on the regions.

This SP is aimed primarily at enterprises and NPOs. CED intervenes through temporary or dedicated additional funding from the Government of Canada or specific funds allocated by the Agency through its grants and contributions program, the QEDP.

Sub-program Budgetary Financial Resources[50] (dollars)

Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18
22,937,623	20,891,193	17,686,000

Sub-program Human Resources (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
20	7	7

[50] This chart includes grants and contributions expenditures and operating expenditures.

Sub-program Performance Measurement

Expected Intermediate Result	Performance Indicator	Target	Target Attainment Schedule
Sub-program 1.3.3: *Targeted and/or Temporary Support*			
Communities have targeted and/or temporary support available for stabilizing or strengthening their economies	Number of communities supported receiving targeted and/or temporary support[51]	60	March 31, 2016

Planning Highlights

For 2015–16, CED intends to continue delivery in the *Targeted and/or Temporary Support* SP of temporary initiatives and a Canada-wide initiative,[52] in order to respond in real time to the needs of 60 communities and government priorities with respect to economic development in Quebec in order to stabilize or strengthen their economies.

Economic Recovery Initiative for Lac Mégantic

- The initiative aims to support the economic recovery and rebuilding of the town following the rail accident of July 6, 2013;
- With a $35-million budget envelope, this initiative has three components: rebuilding of the town; direct assistance to enterprises; and creation of two investment funds managed by the local Community Futures Development Corporation (CFDC), Société d'aide au développement de la collectivité de la région de Mégantic; and
- The dedicated team deployed in the field by CED will continue to accompany local agents in their economic development efforts.

Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile

- The initiative aims to accompany communities and enterprises in the Des Appalaches and Des Sources RCMs in their efforts to diversify and strengthen their economic base and thus increase their long-term growth potential;
- With a $50-million budget envelope, this initiative makes it possible to achieve

[51] For further details concerning the Canada-wide EDI initiative and temporary initiatives, see CED's website: www.dec-ced.gc.ca/eng/programs/qedp/ciif.html.

[52] The ongoing Canada-wide initiative in 2015–16 is the *Linguistic Duality Economic Development Initiative (EDI) 2013–2018*.

the Government of Canada's priority of supporting the economic transition of communities dependent on the chrysotile asbestos industry to the secondary and tertiary sectors; and
- Meetings to identify and accompany potential clients as well as partners will continue, to support their economic development efforts in the field.

Upgrading of facilities to foster local economic growth

- As part of its activities under the *Quebec Economic Development Program* (QEDP), CED funds projects to upgrade local facilities, which contribute to economic activity in and the vitality of small communities.

Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec

- This initiative aims to prevent the spread of spruce budworm in the Bas-St-Laurent, Gaspésie and Côte-Nord regions, and to support the acquisition of practical knowhow and greater experience in combatting spruce budworm; and
- With a $6-million envelope, this initiative was launched in May 2014. CED has signed an agreement with the *Société de protection des forêts contre les insectes et les maladies* for implementation of the initiative.

Linguistic Duality Economic Development Initiative (EDI) 2013–2018

- Aims to foster economic development in Quebec's official language minority communities (OLMCs).

2.5 Program 1.4 – *Internal Services*

Strategic Outcome #1	Program 1.4	No sub-program
QUEBEC'S REGIONS HAVE A GROWING ECONOMY	INTERNAL SERVICES	

Description

Internal services are groups of related activities and resources that are administered to meet the needs of an organization's programs and other general obligations. They include: management and monitoring services; communications services; legal services; human resources management services; financial management services; information management services; information technology services; real property services; materiel services; acquisitions management services; and other administrative services. Internal services include only those activities and resources directed at the organization as a whole, and not those provided solely to a specific program. They lead to higher efficiency in program delivery, thus contributing to quality services for Canadians.[53]

Program Budgetary Financial Resources[54] (dollars)

Main Estimates 2015–16	Planned Spending 2015–16	Planned Spending 2016–17	Planned Spending 2017–18
20,446,605	20,446,605	20,314,530	19,725,338

[53] Since April 1, 2014, the deputy heads of the regional development agencies have undertaken the responsibilities of the federal councils in their respective regions. CED's Deputy Minister/President chairs the Quebec Federal Council (QFC). Two FTEs are associated with the office of the QFC.

[54] This chart includes operating expenditures only.

Program Human Resources[55] (Full-time Equivalents – FTEs)

2015–16	2016–17	2017–18
129	129	129

Planning Highlights

For 2015–16, CED plans to use its *Internal Services* program to meet the needs of the organization's programs and its obligations in a continuous improvement perspective. Through this program, CED supports the implementation of numerous government initiatives and facilitates the ownership and integration of these changes within the organization.

In keeping with Government of Canada policy, CED has identified as its third priority its continued modernization, in order to enhance its performance. This priority particularly involves *Internal Services*.

Examples of initiatives which CED intends to pursue during 2015–16 to support modernization include:

- Continued implementation of shared operational processes in human resources;
- Preparation for the migration to the *PeopleSoft* integrated management system;
- Continued implementation of electronic document management;
- Intensified use of social media to maintain contact with economic development organizations and citizens in the interest of communication;
- Implementation of innovative approaches to information management and information technology, through maximized use of the data warehouse, dashboards and automated reports for decision-making and reporting; and
- Continued implementation of initiatives deriving from the *Destination 2020* exercise, enabling CED to continue building the Public Service of the Future.

[55] The planned FTEs in the *Internal Services* program are broken down according to the definition of internal services provided by the Treasury Board Secretariat in the *Profile of Government of Canada Internal Services*. As agreed with the TBS, however, CED's *Management and Monitoring Services* group, as with Canada's other regional development agencies, excludes design and management of programs, policies, standards and guidelines, and government relations. The resources allocated to those services are therefore broken down among CED's other programs and sub-programs.

SECTION III: Supplementary Information

3.1 Future-oriented Statement of Operations

The Future-oriented Condensed Statement of Operations provides a general overview of CED's operations. The forecasted financial information on expenses and revenues is prepared on an accrual accounting basis, to strengthen accountability and improve transparency and financial management.

Because the Future-oriented Condensed Statement of Operations is prepared on an accrual accounting basis and the forecast and planned spending amounts presented in other sections of the RPP are prepared on an expenditure basis, amounts will differ.

A more detailed Future-oriented Statement of Operations and associated notes, including a reconciliation of the net costs of operations to the requested authorities, can be found on CED's website.[56]

Future-oriented Condensed Statement of Operations
For the Year Ending March 31, 2015 (dollars)

Financial Information	Expected Results 2014–15	Planned Results 2015–16	Difference
Total Expenses[57]	157,678,000	157,094,000	584,000
Total Revenues	0	0	0
Net Cost of Operations	157,678,000	157,094,000	584,000

In 2015–16, CED's total net spending should amount to $157 million, down 0.4% from total spending the previous fiscal year.

[56] See CED's website: www.dec-ced.gc.ca/eng/publications/agency/rpp.html.

[57] Expenses reflect the economic resources used by CED during a period to deliver the programs in its PAA, and are of two types: (i) transfer payments; and (ii) operating expenses. Expenses calculated in the context of the *Future-oriented Statement of Operations* (Section III) differ from those presented in sections I and II of the RPP, since unconditionally repayable contributions are not accounted for as loans, thus reducing total transfer payment expenses.

CED's forecast expenditures consist largely of transfer payments, that is, expenditures with respect to non-repayable and conditionally repayable contributions. These should total $108.5 million in 2015–16, or 2.8% less than the total anticipated in 2014–15.

Being returned to the Consolidated Revenue Fund, CED's revenues are declared in its financial statements as having been earned on the Government's behalf, so the organization's total net revenues are zero. Note that CED's total gross revenues are forecast to stand at $708,000 in 2015–16, up 74.4% from FY 2014–15.

3.2 Supplementary Information Tables

The supplementary information tables listed in the *Report on Plans and Priorities 2015–16* can be found on CED's website.[58]

- Upcoming Internal Audits and Evaluations (next three fiscal years);
- Details on Transfer Payment Programs of $5 million or more; and
- Departmental Sustainable Development Strategy.

3.4 Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures, such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in *Tax Expenditures and Evaluations*.[iii] The tax measures presented in that publication are the sole responsibility of the Minister of Finance.

[58] Visit CED's website: www.dec-ced.gc.ca/eng/publications/agency/rpp.html.

SECTION IV: Organizational Contact Information

Canada Economic Development for Quebec Regions

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1255 Peel Street, Suite 900
Montreal, Quebec H3B 2T9

CANADA

Telephone: 514-283-6412
Fax: 514-283-3302

Website: www.dec-ced.gc.ca

Appendix: Definitions

Appropriation

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary Expenditures

Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report

Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

Full-time Equivalent

Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada Outcomes

A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure

A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

Non-budgetary Expenditures

Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

Performance

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

Performance Indicator

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance Reporting

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

Planned Spending

For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates. A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

Plans

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priorities

Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

Program

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities

Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Results

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Strategic Outcome

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

Sunset Program

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

Target

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

Whole-of-Government Framework

Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i *Whole-of-Government Framework*:
www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

ii *Main Estimates 2015–16*:
www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp.

iii. *Government of Canada Tax Expenditures and Evaluations*:
www.fin.gc.ca/purl/taxexp-eng.asp.